

DOMINION FINANCES.

**The Enormous Debt and Expenditure. Facts showing how under
Tory Rule, Debt and Taxation Increase by Leaps and Bounds.
Why the Population Increases Slowly.**

In a recent article entitled the "Dominion Finances," a Tory organ, the *Mail*, repeats the usual stale falsehoods touching the increase of the public debt and burdens of the country.

1. The *Mail* calls the "net" debt of Canada \$196,407,692; going back for this purpose to June, 1885.

It does this knowing that Mr. McLelan, the Finance Minister, on the 3rd day of March, 1886, in the House of Commons (*vide* Hansard, page 42) stated the "net" debt to be \$208,522,695.15; and that since that date the country has accepted \$20,000,000 from the C. P. R. for \$30,000,000, thereby raising the so-called "net" debt to \$218,522,695, at least; without counting a very formidable list of liabilities incurred by statute, amounting to many millions more, and without taking into consideration the well-known fact that a very considerable amount of the alleged assets are of very doubtful value.

2. The *Mail* says that Mr. Mackenzie was responsible for an increase of the public debt of forty and a half millions from 1874 to 1878.

This is utterly false. It has been proved that almost all of the increased debt incurred between 1874 and 1878 was caused by the foolish and onerous obligations entered into by Sir John Macdonald's Government prior to Mr. Mackenzie's taking office, but for which Mr. Mackenzie was obliged to provide, although in nearly every instance they had been incurred contrary to the protests and warnings of the Reform party. Herewith is a short summary from Return No. 44, which was laid before the House of Commons on the 28th February, 1878, showing the total amount chargeable to capital, expended on public works between January 1st 1874, and February 28th, 1878, under progress when Sir John Macdonald's Government resigned in November, 1873:—

St. Lawrence Canals.....	\$3,320,489 93
Welland Canal.....	6,948,849 63
Ottawa works.....	1,403,859 80
Baie Verte Canal.....	980 25
Public Buildings, Ottawa.....	913,182 05
Railways—N. S. and N. B.....	1,355,276 33
Intercolonial Railway.....	5,926,559 33
Pacific Railway.....	8,289,348 85
P. E. Island Railway.....	238,632 73
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	\$28,247,188 90

Add Amount expended on above works between July

1st, 1873, and January 1st, 1874; and March 1st and

July 1st, 1878.....\$ 4,000,000 00

Total.....\$ 32,447,188 90

It is the very height of absurdity and unfairness to argue that because a reckless and profligate Government like Sir John Macdonald's chose (in spite of all warnings) to enter into innumerable engagements just before being turned out of office for gross corruption that Mr. Mackenzie, who succeeded them, is to be held

responsible for the expenditure thus forced upon him, but it is of a piece with the whole argument.

3. The *Mail* says that the taxation per head has only increased 8 cents—from \$5.32 in 1875 to \$5.40 cents in 1885.

The facts are these:—

In 1875 the estimated population was 3,850,000; the actual taxation (*vide* the Public Accounts,) was \$20,664,878, being nearly \$5.32, as stated, and giving about a million surplus.

In 1886, the present year, there must be raised in taxes to make both ends (of ordinary expenditure) meet \$27,500,000 out of a white population of barely 4,500,000, being at the rate of \$6.10 per head, an increase per head of nearly 78 cents,

(AN INCREASE EQUAL TO FOUR DOLLARS PER FAMILY.)

instead of 8 cents, or nearly ten times the sum stated by the *Mail*. There has also to be faced, thanks to the blundering imbecility which brought about the rebellion in the North-West—a deficit of \$5,865,553 for the year ending 30th of June 1886, *vide Official Gazette*, November 12th, 1886.

Passing over the important fact that the nominal taxation—*i. e.*, that which actually finds its way into the treasury—is less by many millions than the sum the people have to pay, and proceeding to:—

4. That the rate of interest per head is now the same as it was in 1878 or 1879, *viz.*, \$1.59.

This is wholly erroneous. The facts are as follows:—

1878.—Population	Interest and charges of Management.
4,000,000.	\$7,238,000.
Per capita,	\$1.81.
1886.—4,500,000.	\$9,512,000.
Per capita,	\$2.11.

being an excess of 30 cents per head, or \$1.50 cents per family, and that will be considerably increased in the current year. In that account is not taken of the sum to be raised for the Sinking Fund, nor are the sums deducted that have been received as interest on investments. These figures are taken from the Public Accounts and from the Estimates, and they represent the actual condition of affairs to-day, of which very probably both the Premier and his organ, the *Mail*, are in blissful ignorance.

Briefly the *Mail* stands guilty of these several frauds and misstatements:—

1. It has, with full knowledge of the facts, understated the net public debt by over twenty-two million dollars.

2. It has suppressed the most important circumstance that we are liable by statutory enactments for many millions more which must be provided for.

3. It has falsely charged Mr. Mackenzie with very many millions of debt really incurred by his predecessors and against his very strong remonstrances.

4. It has (with Mr. McLelan's statement before its eyes that he requires to raise \$27,200,000 by actual taxes) misrepresented the sum required to be raised as if it only involved 8 cents additional per head, whereas it is really 78 cents additional, being nearly ten times the sum stated in its columns.

5. The *Mail* has similarly misstated the amount of additional interest now required to be paid, alleging that this is no more than in 1875; the fact being that

every family has to pay \$1.50 cents additional, and that too although there has been a most remarkable reduction in the rate of interest all over the civilized world within the last few years, no thanks to Sir John Macdonald or his colleagues.

Had this been properly taken advantage of, Canada ought (with an increased population) to be paying very much less to-day per head than it did in 1878 or 1879 and it reflects very little credit on the financial management of the last few years that it has not secured this result.

But this is not all, nor nearly all, the truth of the case.

The *Mail* for obvious reasons, selects 1875, the year of Mr. Mackenzie's highest taxation and expenditure.

It conceals the fact that this heavy expenditure was proved to have been caused by the outrageous commitments of his predecessor for minor public works intended as bribes to constituencies in 1872 and 1873, and it states that the rate of taxation per head was \$5.32 in 1875.

It says nothing of the fact, that as soon as Mackenzie shook himself clear of the incubus of carrying out these engagements the actual taxation fell to \$17,841,938 in 1878, the population in that year being a little over 4,000,000 (though that figure is assumed) and the actual taxation \$17,841,938, gives the taxes levied then as \$4.46 *per capita*.

True it is that there was a deficit of \$1,100,000 in 1878, and that if this be added the necessary taxation would have been \$19,000,000, being at the rate of \$4.75 per head in Mr. Mackenzie's last year.

But there was also a deficit of \$2,240,000 in 1885, for which the *Mail* makes no allowances and which, if calculated for,

WOULD MAKE THE NECESSARY TAXES FOR 1885,

(without one penny of surplus) \$27,624,000, being over \$6 per head and over \$30 per family for a white population of 4,500,000.

Take 1882-3. In this year the white population was 4,350,000 (at outside).

The taxation was \$29,269,698, being \$6.72 *per capita*. This is \$1.40 per head or \$7 per family greater than in 1875 (Mr. Mackenzie's highest year), and \$1.97 per head or \$9.35 per family greater than the necessary taxation in 1878, (Mr. Mackenzie's last year).

Now \$29,269,698 was only the nominal taxation, which came into the treasury in 1882-3.

The actual taxes paid by the people under the present system are at least

FIFTY PER CENT. MORE THAN IS RECEIVED INTO THE TREASURY.

The Customs receipts for 1882-3 were \$23,009,582. Add 50 per cent., say \$11,500,000. Real amount of taxation inflicted in 1882-3 was \$40,769,000! being at the rate (taking population at 4,350,000 whites) of \$9.35 per head, or per family \$46.75!

No wonder the population grows slowly, and that two-thirds of the constituencies cannot keep their natural increase, and that the population of the whole North-west Territories outside Manitoba last year was only 23,000 whites!

Those who will take the trouble to consider what the facts we give really mean will never afterwards pay the slightest regard to any assertion, whether made by Sir John, or his organ, the *Mail*, or any of his subsidized hirelings in the Houses, or in the Press, to the effect that Sir John Macdonald "has not increased the burdens of the people of Canada."

In 1867 the actual annual expenditure of the Dominion was \$13,486,092.

And the actual taxes raised were \$11,700,681.

In 1886 the actual annual expenditure is known to be \$39,176,976; or say \$36,176,976, by deducting \$3,000,000 for war expenses.

And the necessary taxation without allowing any margin, is not less than \$27,500,000.

In nineteen years, the actual annual expenditure (less war charge) has increased \$22,690,884.

And the actual necessary taxation has increased \$15,800,000.

Who has done it?

AS TO ACTUAL ANNUAL EXPENDITURE.

Sir J. A. Macdonald found it \$13,486,000 in 1867, and he left it in Nov. 1873, at an estimated expenditure, as per Sir L. Tilley, of \$23,685,000, being an increase in his first term of \$10,199,000 per estimate, and \$9,830,000 actual expenditure. Mr. Mackenzie spent in 1873-4, \$23,316,000 (being \$369,000 less than Sir John's estimate), and left it, in 1878, with an actual expenditure of \$23,503,000, being a total increase of \$187,000.

Sir John returning found it, in 1878, \$23,503,000, and now requires \$36,000,000, being an increase in his second term of \$12,500,000. So that of a total increase of annual expenditure of \$22,690,884, Sir J. A. Macdonald is responsible for \$22,403,000, and Mr. Mackenzie for \$187,000, being as nearly as may be one hundred and fourteenth part.

Remember also that in his term of office, Mr. Mackenzie had to provide for:—

1. Interest on \$32,000,000 debt added (to meet Sir John's engagements) from 30th June, 1874 to 30th June, 1878.	\$1,280,000
2. Extra charge for Mounted Police	135,000
3. Extra charge for Indians	275,000
4. Extra charge for Post-Office	340,000
5. For Supreme Court	80,000
6. For working several hundred miles additional of Intercolonial Railway, which Mr. Mackenzie completed, estimated	500,000
7. For additional sinking fund	430,000
Total (omitting very many minor items)	\$3,040,000

Mr. Mackenzie did all this, and besides provided for expenses of, at least, 300,000 more people in 1878, than in 1874, and he only added \$187,000 to the annual charges.

Precisely the same thing occurs as to actual taxes.

In 1867 these were\$11,700,000

In 1874 these were 20,129,185

In 1878 these were \$17,841,000, and allowing for deficit the necessary taxes would have been..... 19,000,000

In 1886, the necessary taxes are 27,500,000

Total **increase** from 1867 to 1886 is.....\$15,800,000

From 1867 to 1874 it is \$8,429,000.

From 1874 to 1878, the **decrease** is \$1,129,000 (allowing \$19,000,000 for 1878)

From 1878 to 1886 the increase is \$8,500,000 (adding 1,100,000 in 1878).

And in the face of those self-evident facts, the people are asked to believe Sir John Macdonald has not added to the financial burdens of Canada!